

Investor Questions and Answers: March 2, 2007

We plan to make written responses available addressing investor questions about our business on the first Friday of every month. The following answers respond to questions received through March 1, 2007. We intend to answer as many questions as time allows, although we will not answer product support questions through this channel. We may wait to respond to a given question until the following month if we need more time to research the answer.

If you would like to submit a question, please send an e-mail to investors@morningstar.com, contact us via fax at 312-696-6009, or write to us at the following address: Morningstar, Inc., Investor Relations, 225 West Wacker Drive, Chicago, IL 60606. To view the original 8-K filing, click here:

http://www.sec.gov/Archives/edgar/data/1289419/000110465907015972/a07-7049_18k.htm

Liquidity and Trading Volume

1. You're killing investors with this illiquidity. Most of the shares are in the hands of mutual funds and the stock only trades 66,200 [shares per] day. I'm only a small retail investor, but the small float makes this stock too risky to take on a large position. How about a split?

The lack of liquidity in Morningstar's stock reflects the large percentage of insider ownership. Joe Mansueto, our founder, chairman, and CEO, currently owns approximately 70% of our outstanding shares, and other Morningstar executives also own a smaller portion of the outstanding shares. As a result, the percentage of shares that are freely traded in the market is low. Over time, though, we expect that the liquidity of Morningstar's shares will improve, especially as Joe and others proceed with their previously announced plans to sell some shares.

We don't currently have any plans for a stock split. Although a lower stock price might improve perceived trading liquidity (for example, by making it easier for investors to purchase round lots), our focus is on maximizing Morningstar's long-term intrinsic value. We'd prefer to attract investors who think of themselves as long-term owners of our company instead of short-term traders. We realize that it might be more difficult for investors to build positions in our stock, but we hope investors who hold our shares for the long term will ultimately be rewarded. In addition, a stock split wouldn't impact the stock's float in percentage terms, so it's not clear if it would substantially improve liquidity.

Acquisition of Standard & Poor's Mutual Fund Data Business

2. What is the annualized revenue of the business that Morningstar is acquiring from S&P (including the fees S&P will pay Morningstar)?

The McGraw-Hill Companies, which owns Standard & Poor's, does not publicly disclose the revenue produced by its various business units. After we complete the acquisition of Standard & Poor's fund data business, we plan to continue our practice of disclosing a total for revenue contributed by all acquisitions in our subsequent earnings releases.